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<u>Chinese Arms Sales to the Middle East</u>			

BACKGROUND

PRC has emerged as a major supplier of arms to the Middle East. Beijing sells military equipment to both sides in the Gulf War and in 1987 became Iran's largest weapons supplier. Of particular concern to US has been the transfer of Silkworm anti-ship missiles to Iran which threaten US lives and shipping in the Gulf. PRC responded to US decision last fall to delay further COCOM export liberalization for China and demarches by U/S Armacost and others with a moratorium on deliveries of anti-ship missiles to Iran. During March visit of FM Wu, US announced resumption of export control liberalization process.

The sale of Chinese CSS-2 IRBM's to Saudi Arabia is the first export of a missile with this range (up to 3,000 kilometers) to the Third World. Saudi acquisition of IRBM's continues the already serious trend toward missile proliferation in the region. Saudis have joined a group that includes Iran, Iraq, Israel, Egypt, North Yemen and Syria. More troubling are the sales efforts China is making for another missile (called M-9) which will be in production shortly. Ballistic missile proliferation, combined with general CW

- To date, steps PRC has taken to ensure that additional Chinese anti-ship missiles do not reach Iran have been effective.
 - Saudi Arabia's acquisition of Chinese CSS-2 IRBM's continues the disturbing trend of missile proliferation in the Middle East.
 - Highest levels of SAG have stated that these missiles are intended only for defensive use and will not be equipped with nuclear or chemical warheads.
 - China has assured us that the CSS-2 warheads provided to Saudi Arabia are non-nuclear. Nonetheless, we believe there is a danger to international stability inherent in continued proliferation of missile technology and missile delivery systems.
- proliferation will pose added threats to stability in the region more easily*

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